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COMMISSION

February 11, 2011

Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, D.C. 20463

MUR # 6455

2011 FEB 15 PM 1:43

OFFICE OF GENERAL  
COUNSEL

**RE: FEC Complaint concerning Penske PAC Disaffiliation from the General Electric PAC**

**RESPONDENT:** Brian Hard, President and CEO, Penske Truck Leasing Co., L.P., Route 10, Green Hills Box 563, Reading, PA 19603-0563. PH (610) 775-6310/email: brian.hard@penske.com

This complaint against Penske Truck Leasing (Penske) is filed to provide the FEC with supplementary information related to my initial complaint filing of November 16, 2010. My complaint concerns Penske's filing of misleading and incomplete information with the FEC in order to obtain an FEC Advisory Opinion (AO) permitting disaffiliation of the Penske PAC from the General Electric PAC (GEPAC).

Following my initial complaint submission on November 16<sup>th</sup>, I was contacted in December 2010 by an FEC Attorney who explained that the FEC could not proceed on my complaint without a showing that Penske had actually acted on the basis of the FEC Advisory Opinion (AO). Subsequently, I provided additional information to the FEC and on December 22, 2010 was contacted by the FEC and provided with information needed to re-file my complaint. Prior to my re-filing, the FEC notified my attorney by letter on February 1, 2011, [REDACTED]

[REDACTED] The FEC again repeated its view that a violation must first be shown.

Accordingly, through this letter I am providing information from the FEC database relating to the 2008-2010 election cycle showing the combined contributions made by Penske and GE to Representative James Gerlach (R-PA). The combined GEPAC and Penske PAC contributions to Rep. Gerlach, whose congressional district includes the Penske Truck Leasing corporate headquarters in Reading, Pennsylvania, would represent illegal ~~new~~ contributions to a congressional candidate in violation of the Federal Election Campaign Act (FECA) of 1971, had the GE and Penske PACs remained affiliated.

As shown below, subsequent to its PAC disaffiliation from GE, Penske contributed the maximum \$5,000 contribution from Penske PAC to Rep. Gerlach for both the primary and general elections. GEPAC also contributed \$1,500 to Rep. Gerlach in the primary election and \$1,000 in the general election, thereby exceeding the legally allowable contribution limits had GEPAC and Penske PAC remained affiliated. Penske management also made personal contributions to Rep. Gerlach of \$12,750, making Penske the largest contributor to Rep. Gerlach's congressional campaign in the 2008-10 election cycle.

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<b>Penske and GE PAC Contributions to Representative Gerlach 2008-2010 Election Cycle</b>			
<b>PENSKE PAC</b>		<b>Combined</b>	
<b>Primary Election</b>		<b>Primary</b>	<b>General</b>
3/31/2010	1000	1000	
5/11/2010	4000	4000	
<b>General Election</b>			
7/29/2010	2500		2500
9/22/2010	2500		2500
<b>GE PAC</b>			
<b>Primary Election</b>			
3/12/2009	500	500	
2/11/2010	1000	1000	
<b>General Election</b>			
8/24/2010	1000		1000
		6500	6000

### **Background**

On June 17, 2009, Penske Truck Leasing requested an FEC AO for the purpose of allowing the Penske PAC to disaffiliate from GEPAC. As the basis for the AO request, Penske PAC cited GE's recent divestiture on March 28, 2009 of its majority ownership of the Penske Truck Leasing Joint venture by a slim .1% margin. However, GE remained the controlling party in the joint venture by virtue of billions of dollars in capital investments and loans that GE continues to provide to Penske. GE's deconsolidation of Penske was accomplished through deception and in violation of FASB regulations.

On July 22, 2009, the Federal Election Commission issued a thorough and careful analysis of the post-deconsolidation relationship between GE and Penske Truck Leasing, properly finding in their draft opinion that the nature of the ongoing relationship was indicative of continued affiliation. Attorneys for Penske then immediately issued a letter of appeal to the FEC on July 27, 2009 in which they provided misleading information that was intended to convey GE/Penske's plans for significant and imminent changes in the joint venture partnership between GE and Penske -- most critically in their revolving credit agreement. However, in making their appeal, GE/Penske failed to disclose critical information to the FEC as highlighted below.

- GE/Penske failed to inform the Commission that Roger Penske is the only "non-independent" member of the General Electric

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Board of Directors, precisely because of the numerous business interests he holds with GE.

- GE/Penske failed to inform the Commission that GE loaned the majority of the funds to Penske in order for Penske to make the additional ownership purchases from GE.
- GE/Penske failed to inform the Commission of the magnitude of the revolving line of credit - \$7.5 billion
- GE/Penske failed to inform the Commission that Penske is wholly dependent upon GE's financing for its survival and is unable to obtain credit from other sources as the result of its credit rating and enormous debt to GE.
- GE/Penske failed to provide the PEC with the details of the revolving credit agreement to substantiate their claims of the changes made.
- GE/Penske failed to inform the Commission that the changes they refer to in their 7/27/09 appeal for ending the loan agreement between GE and Penske are not scheduled to take place until the year 2018.

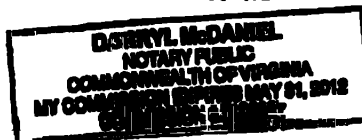
#### Complainant Information

I am the former President and CEO of the Truck Renting and Leasing Association (TRALA). Brian Hard, President and CEO of Penske Truck Leasing, was a TRALA officer and Board member. On July 8, 2009 my employment at TRALA was terminated "without cause" by Mr. Hard after I had initiated an investigation of conflicts of interest, undisclosed business relationships and securities and tax fraud among members of TRALA's governance. At the time of my investigation in March 2009, Mr. Hard and GE/Penske pursued GE's deconsolidation of Penske Truck Leasing. Thereafter, GE commenced to acquire other truck leasing companies through Penske with funds that GE provided, thereby avoiding the disclosure of the related debt to GE shareholders. My investigation focused directly on these types of transactions by and amongst TRALA's governance, and as a result Mr. Hard first acted to obstruct my investigation and then to end my employment at TRALA after a 15 year career there.

If you have any questions about this submission, or would like additional information related to this Complaint please do not hesitate to contact me.

Sincerely,

  
Peter J. Vroom  
Complainant

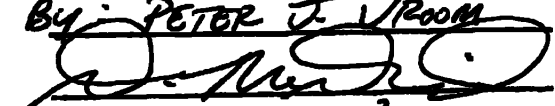


\_\_\_\_\_, Alexandria, VA 22302, Phone: \_\_\_\_\_

email: \_\_\_\_\_

County of: Alexandria  
COMMONWEALTH OF VIRGINIA

THE FOREGOING INSTRUMENT HAS  
SUBSCRIBED AND SIGNED BEFORE ME ON THIS  
14th DAY OF FEBRUARY, 2011

By: PETER J. VROOM  
  
My Commission Expires: 5/21/12